

## OVERVIEW

The Quarterly Review of the Eastern Cape Labour Market (QRELM) is a statistical release compiled by the Eastern Cape Socio Economic Consultative Council (ECSECC). The aim of the publication is to analyse the latest developments in the Eastern Cape labour market.

The analysis is extended to include employment and unemployment dynamics for the two metropolitan cities in the province. The data used in the report is drawn from Statistics South Africa's Quarterly Labour Force Survey (QLFS). This issue covers the third quarter of 2021 (2021Q3).

## HIGHLIGHTS

The Eastern Cape unemployment rate **INCREASED** to

**47.4%**

The number of employed people **DECREASED** by

**1.5%**

to **1.2 MILLION**



Employment **INCREASED** significantly in the agricultural sector by

**30.4%**

The Eastern Cape youth unemployment rate (aged 15 - 34 years) reached to

**62.6%**

The labour force has a large share of people who have not completed secondary education

**45.5%**

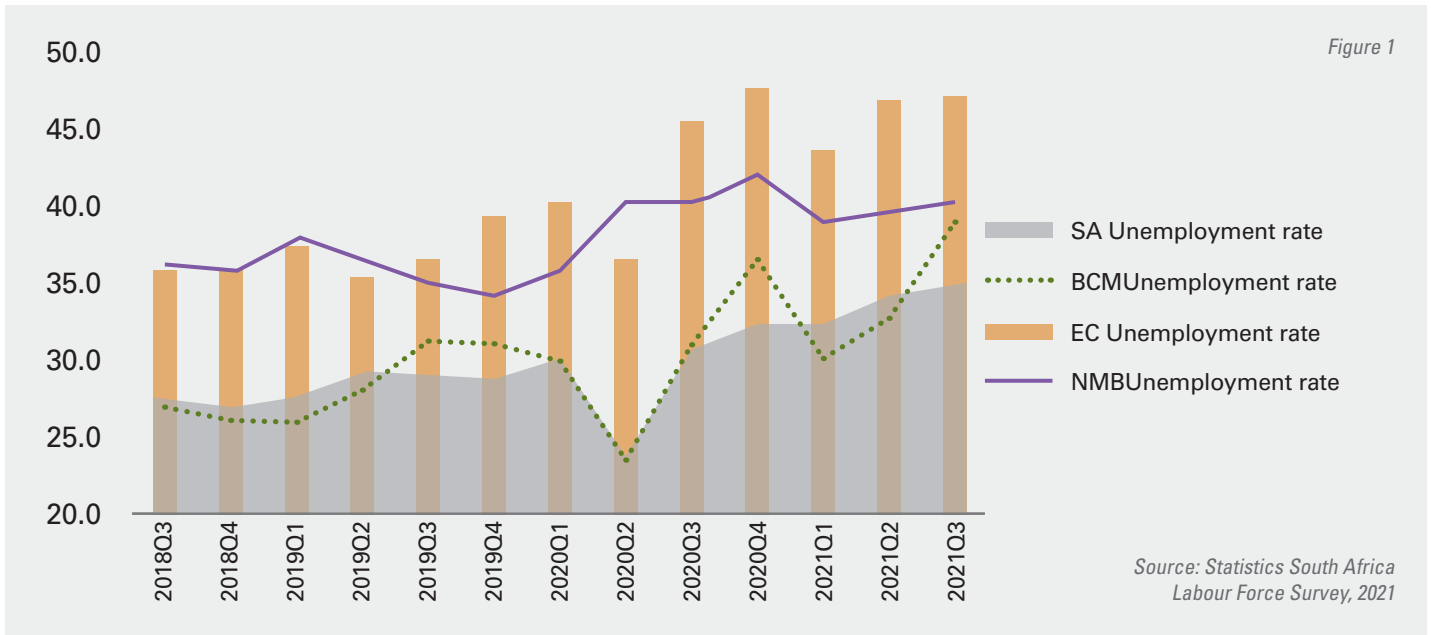
In 2021Q3, **FEMALE** unemployment rate was

**49.7%**

In 2021Q3, **MALE** unemployment rate was

**45.4%**

# UNEMPLOYMENT RATES ARE AT A NEW RECORD HIGH LEVEL



According to Stats SA Quarterly Labour Force Survey (QLFS) for the third quarter of 2021 the number of employed persons in RSA decreased by 660 000 to 14.3 million on a national level. While the number of unemployed persons decreased by 183 000 to 7.6 million compared to the second quarter of 2021. The number of discouraged work-seekers increased by 545 000 (16.4%) and the number of people who were not economically active for reasons other than discouragement increased by 443 000 (3.3%) between the two quarters. Overall, this led to an

increase in the official unemployment from 34.4% in 2021Q2 to 34.9% in 2021Q3 (the highest since the start of the QLFS in 2008). Moreover, this rate is lower than the 33.5% unemployment rate for 2021 forecasted by the International Monetary Fund<sup>1</sup>. On a year-on-year basis, the national unemployment rate increased by 4.1 percentage points from 30.8% in 2020Q3.

<sup>1</sup> World Economic Outlook (October 2021), The International Monetary Fund.

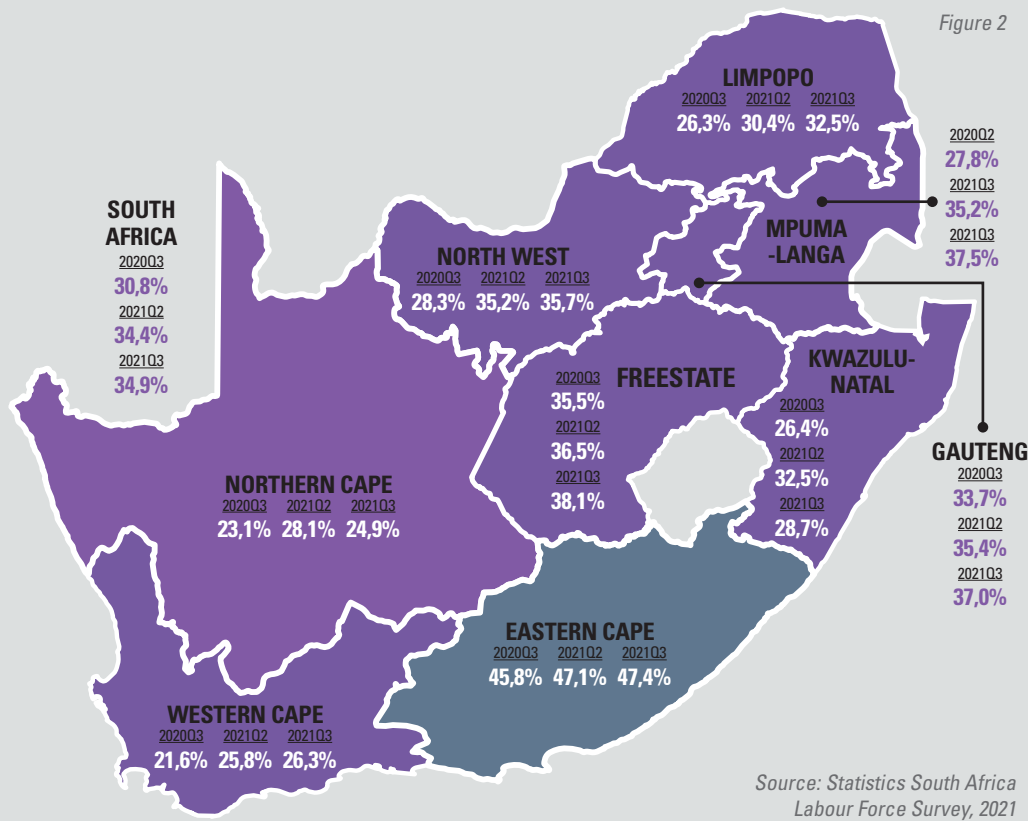
In 2021Q3 the South African unemployment rate increased by 0.5 of a percentage point to 34.9%, compared to 2021Q2. In the third quarter of 2021, the unemployment rate decreased in two out of nine provinces, namely: KwaZulu-Natal (down by 3.8% percentage points to 28.7%) and Northern Cape (down by 3.2 percentage points to 24.9%). The Eastern Cape province recorded the highest unemployment rate above the 40% mark. The highest unemployment rate increases were recorded in Eastern Cape (47.4%), Free State (38.1%), Mpumalanga (37.5%) and Gauteng (37.0%).

On a year-on-year basis, the South African unemployment rate increased by 4.1 percentage points. At a provincial level, large increases in the unemployment rate were recorded in Mpumalanga (up by 9.7 percentage points), followed by North West (up by 7.4 percentage points), Limpopo (up by 6.2 percentage point) and Western Cape (up by 4.7 percentage points).

Even though the Eastern Cape recorded the highest unemployment rate (47.4%) in the country in 2021Q3, the provincial unemployment rate increase of 1.6 percentage points on a YoY basis from 45.3% in 2021Q2 was not amongst the largest increases. Thus, unemployment is not increasing at fast pace compared to other provinces.

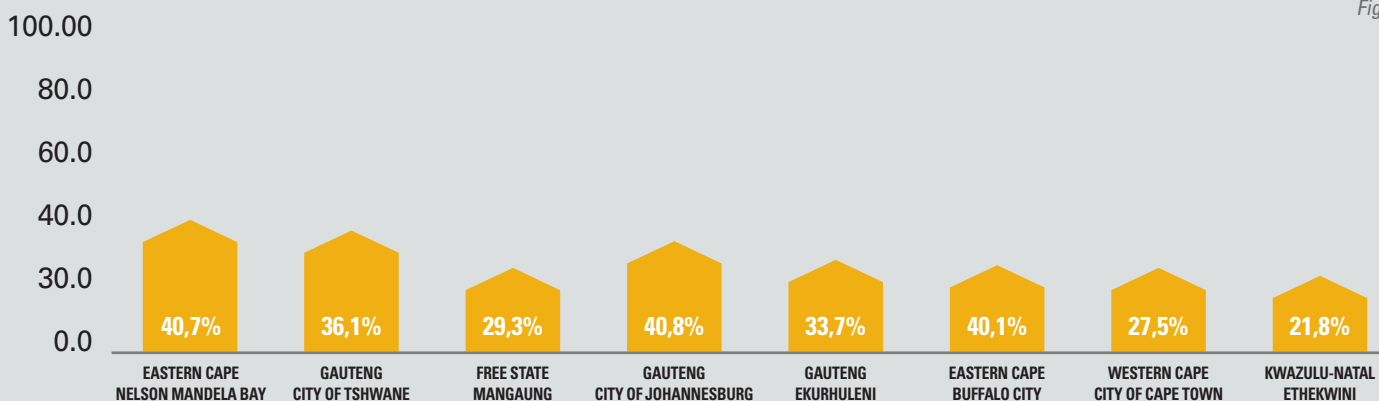
## UNEMPLOYMENT RATE

The unemployment rate in the Eastern cape remains the highest in the country



# UNEMPLOYMENT RATE IN SOUTH AFRICAN METROPOLITAN MUNICIPALITIES

Figure 3

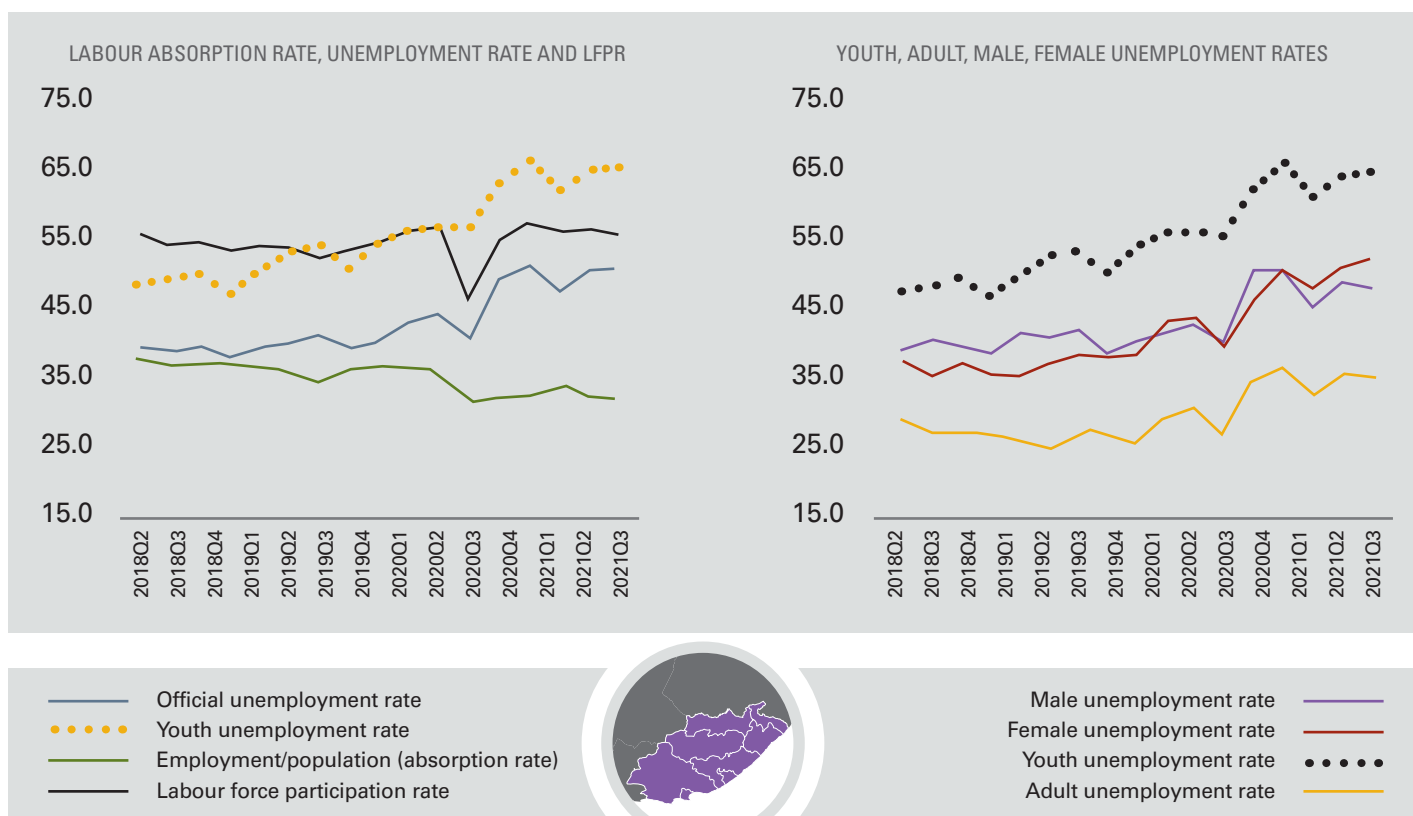


Source: Stats SA QLFS, 2021

Compared with other metropolitan cities in the country, NMB had the highest unemployment rate (40.7%) in 2021Q3, followed by the City of Johannesburg (40.8%) and BCM (40.1%). The eThekweni metro had the lowest unemployment rate of 21.8% in 2021Q3.

## PERFORMANCE AND PROMINENT TRENDS of the Eastern Cape Labour Market (%)

Figure 4



It is without doubt that the pandemic has escalated the macroeconomic issue of increasing unemployment in South Africa. Job creation slowed and the most vulnerable groups continue to struggle in the labour market. In the EC, the labour force participation rate slightly decreased by 0.6 of a percentage point to 52.7%. The absorption rate showed a decreasing trend from 2021Q1. On a QoQ basis the absorption rate decreased by 0.5 of a percentage points to 27.7% in 2021Q3 signaling the inability of the economy to provide more employment opportunities.

Youth (aged 15 - 34 years) unemployment remains one of the macroeconomic problems of South Africa and the

province. Since 2019Q3, it stagnated above the 50% mark and was recorded above the 60% mark (62.6%) in 2021Q3. Meanwhile, the unemployment rate among adults (aged 35–64 years) was lower at 32.4% in 2021Q3. On a YoY basis, youth unemployment increased by 2.4 percentage points, from 60.2% in 2020Q2. Following the same trend female unemployment rate increased in the third quarter of 2021. Females remained at a disadvantage in the labour market, with a higher unemployment rate (49.2%) than males (45.4%) in 2021Q3. On a YoY basis, female unemployment increased largely by 6.2 percentage points, from 60.3% in 2020Q3. Whilst male unemployment rate declined by 2.5 percentage points from 47.9% in 2020Q2.

Source: Statistics South Africa Labour Force Survey, ECSECC calculations 2021

# CHANGES IN THE EASTERN CAPE LABOUR MARKET

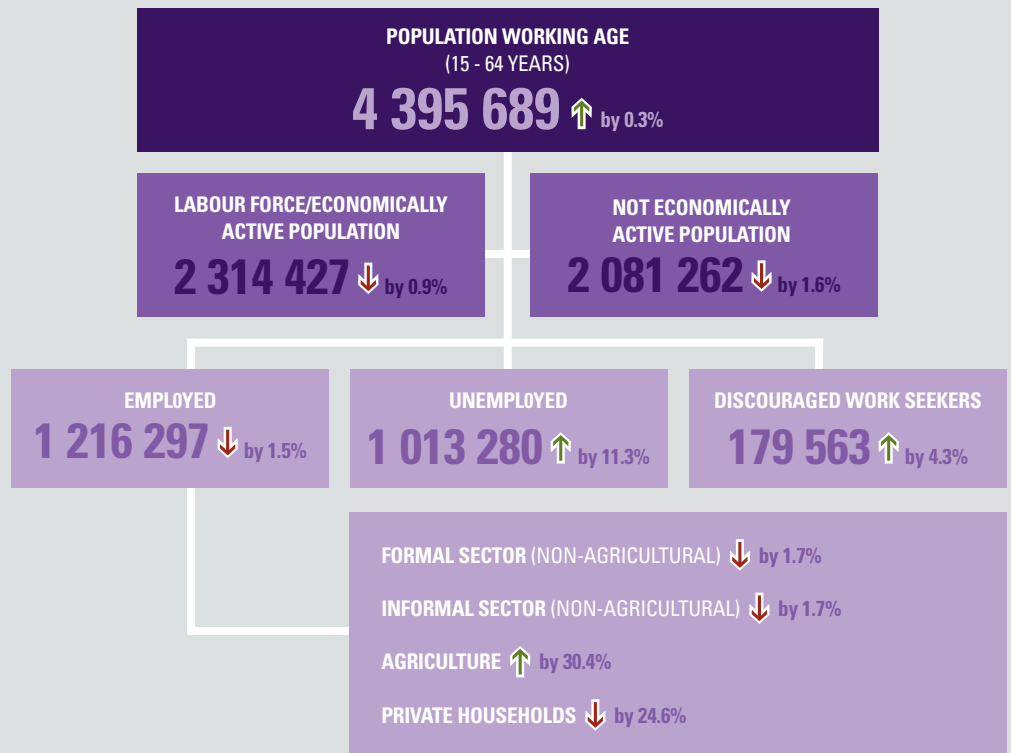
QoQ% changes, 2021Q3

Figure 5

Emerging from Figure 5 are salient changes in the Eastern Cape labour market.

Between 2021Q2 and 2021Q3:

- The working age population (15 – 64 years) increased by 0.3% to 4.4 million.
- The labour force decreased by 0.9% to 2.3 million.
- The not economically active population increased by 1.6% to 2.1 million.
- The number of employed people decreased by 1.5% to 1.2 million.
- The number of unemployed people decreased by 11.5% to 1.0 million.
- The number of discouraged work-seekers increased by 4.3% to 179 563.
- Employment grew significantly in the agricultural sector by 30.4% and declined in the private households sector by 24.6%.

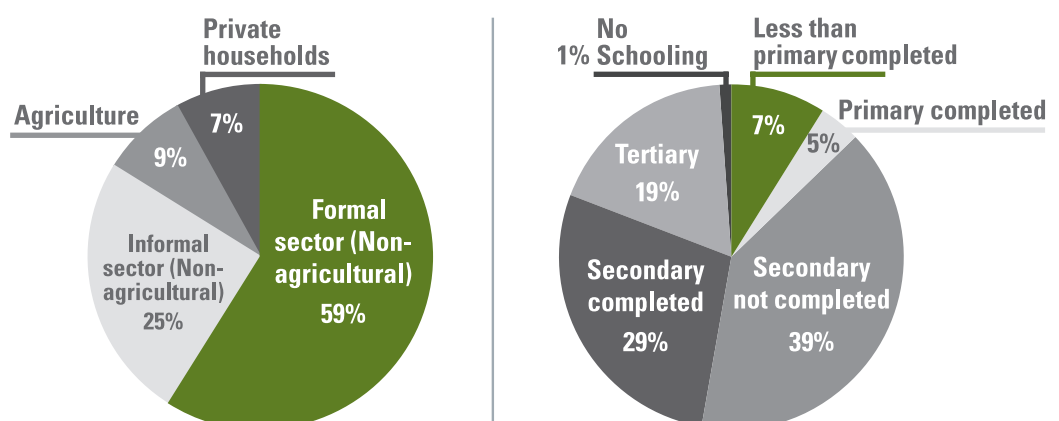
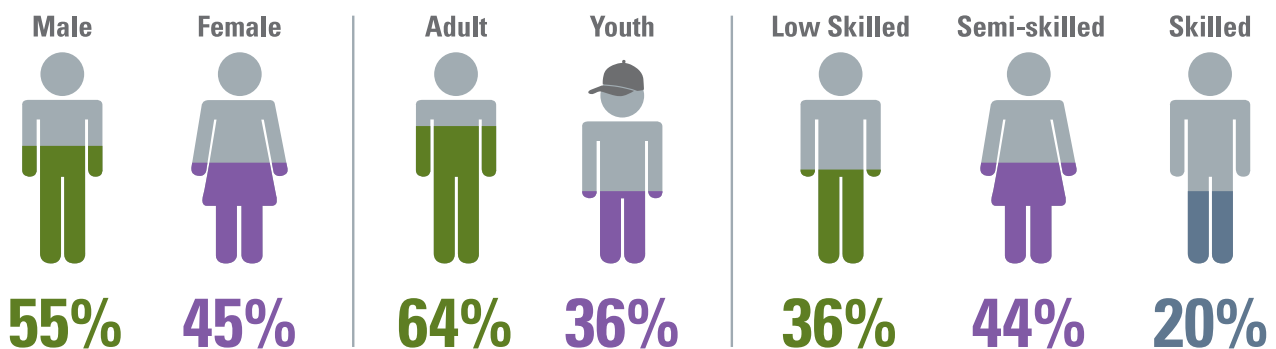


Source: Stats SA (QLFS, 2021), ECSECC (2022) own calculations

# CHARACTERISTICS OF EMPLOYMENT IN THE EASTERN CAPE

2021Q3 (%)

Figure 6



Source: Statistics South Africa Labour Force Survey, ECSECC calculations 2022

# COMMUNITY SERVICES, TRADE, AND FINANCE SECTORS EMPLOY MORE THAN HALF OF ALL WORKERS IN THE PROVINCE



Figure 7

Source: Statistics South Africa Labour Force Survey, ECSECC calculations 2021

In 2021Q3, the Eastern Cape had a total number of 1 216 297 employed workers. Community services (government) was the largest employer in the province, hiring 30.2% of total employed workers. This was followed by trade (16.3%) and finance (10.9%). Together these three industries employed 57.4% of the Eastern Cape's employees.

On a QoQ basis, the largest job gains were recorded in the following industries: agriculture (24 990), finance sector (15 050) and manufacturing (11 441). The trade sector lost 53 709 jobs.

## EMPLOYED BY OCCUPATION

### QoQ% changes

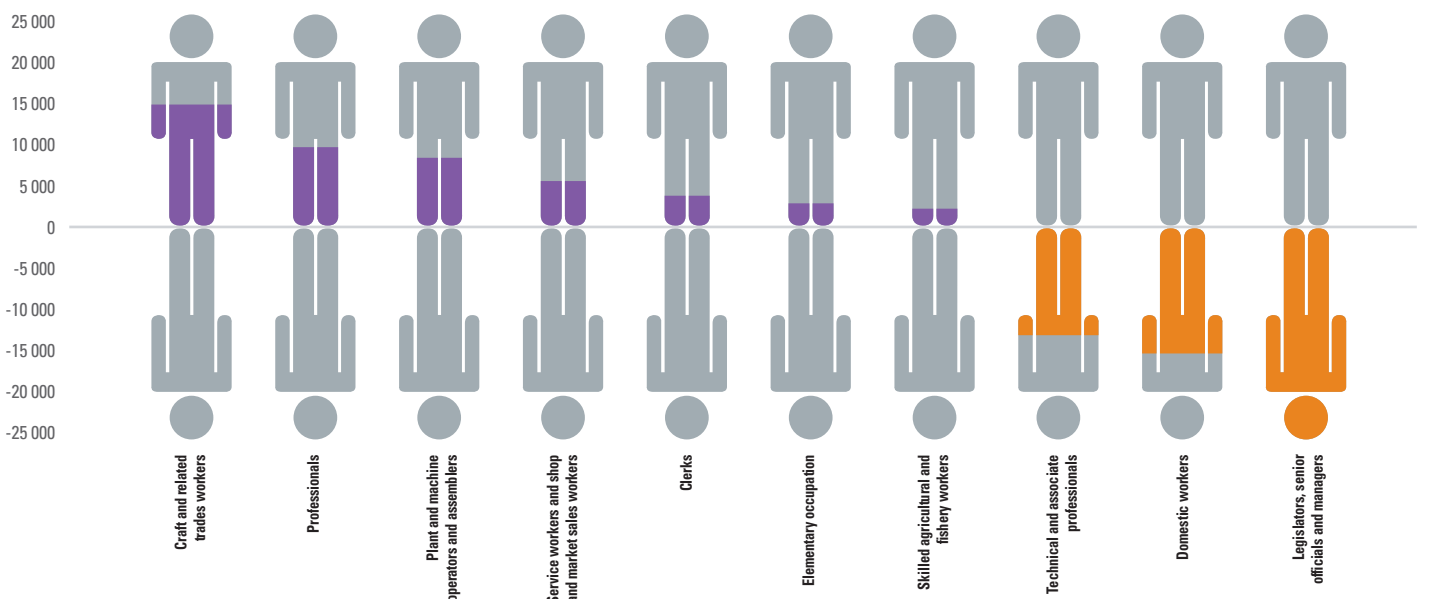


Figure 8

Source: Statistics South Africa Labour Force Survey, ECSECC calculations 2021

The occupation that gained most jobs during the third quarter of 2021 was the "Craft and related trades workers" category, followed by the "Professionals" category. Workers in the "Craft and related trades workers" category increased by 13 660, from 91 233 in 2021Q2 to 104 893 in 2021Q3. There was a significant decline in the number of workers in the "Legislators, senior officials and managers" occupation, where 31 041 jobs were shed during the third quarter of 2021.

Looking at new jobs created by skill levels, 27 692 jobs were gained for semi-skilled workers. However, skilled workers lost 31 041 jobs and low-skilled workers lost 14 040 jobs on a QoQ basis.

EDUCATION STATUS	Working population (age 15+)	Labour force / economically active	Employed	Unemployed	Not economically active	Discouraged job seeker
NO SCHOOLING	2,2%	0,8%	1,0%	0,5%	3,7%	1,2%
LESS THAN PRIMARY COMPLETED	10,0%	7,3%	6,6%	8,2%	12,9%	10,7%
PRIMARY COMPLETED	6,7%	5,2%	4,6%	5,8%	8,5%	8,6%
SECONDARY NOT COMPLETED	<b>50,6%</b>	<b>45,5%</b>	<b>39,5%</b>	<b>52,1%</b>	<b>56,2%</b>	<b>52,3%</b>
SECONDARY COMPLETED	22,5%	28,0%	29,4%	26,4%	16,5%	26,8%
TERTIARY	<b>7,8%</b>	<b>13,1%</b>	<b>18,8%</b>	<b>6,8%</b>	<b>1,9%</b>	<b>0,4%</b>
OTHER	0,2%	0,1%	0,1%	0,0%	0,3%	0,0%
TOTAL	100,0%	100,0%	100,0%	99,8%	100,0%	100,0%

Source: Statistics South Africa Labour Force Survey, ECSECC calculations 2021

Table 1 above shows that in 2021Q3, the majority (50.6%) of the working age population have not completed secondary schooling. Of the 1 013 280 unemployed people in the province, 52.1% have secondary not completed, whilst only 6.8% have tertiary education. Overall, the labour force has a large share of people who have not completed secondary education (45.5%), followed by those who completed secondary education (28.0%). Only 0.8% of the labour force had no schooling in 2021Q3.

## DEFINITIONS

The **labour force** comprises all persons who are employed plus all unemployed persons.

The **working-age population** comprises all persons aged 15–64 years.

The **unemployment-to-population ratio (labour absorption rate)** is the proportion of the working-age population that is employed.

The **unemployment rate** is the proportion of the labour force that is unemployed.

**Labour force participation rate** is the proportion of the working-age population that is either employed or unemployed.

A **discouraged work-seeker** is a person who was not employed during the reference period, wanted to work, was available to work/start a business but did not take active steps to find work during the last four weeks, provided that the main reason given for not seeking work was any of the following: No jobs available in the area; unable to find work requiring his/her skills; lost hope of finding any kind of work.

**Unemployed** persons (aged 15–64 years) are those who:

- Were not employed in the reference week; **and**
- Actively looked for work or tried to start a business in the four weeks preceding the survey interview; **and**
- Were available for work, i.e., would have been able to start work or a business in the reference week; or
- Had not actively looked for work in the past four weeks but had a job or business to start at a definite date in the future and where available.

**Unemployment and not in employment, education, or training (NEET):** Those young people (15-24 years) who are categorised as NEET are disengaged from both work and education.

**Expanded unemployment** is the unemployment rate that includes discouraged work-seekers.

## VACANCIES IN THE PROVINCES CAN BE FOUND ON THE FOLLOWING WEBSITES



the dpsa

Department:  
Public Service and Administration  
REPUBLIC OF SOUTH AFRICA

<http://www.dpsa.gov.za/dpsa2g/vacancies.asp>

**PNET**

<https://www.pnet.co.za/jobs/Eastern-Cape.html>

**Career Junction**  
**co.za**  
Better jobs. More often.

<https://www.careerjunction.co.za/jobs/eastern-cape>

**careers24**

<https://www.careers24.com/jobs/lc-eastern-cape/>